

## Message Text

UNCLASSIFIED

PAGE 01 EC BRU 03568 072016Z

66

ACTION EUR-12

INFO OCT-01 ISO-00 AGR-10 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 /059 W

----- 098323

R 071753Z APR 76

FM USMISSION EC BRUSSELS

RO RUEHC/SECSTATE WASHDC 965

INFO ALL EC CAPITALS 1995

UNCLAS EC BRUSSELS 03568

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR,EEC

SUBJECT: EC COUNCIL OF AGRICULTURAL MINISTERS MEETING, APRIL

5-6 1976

REF: (A) EC BRUSSELS 2337, (B) EC BRUSSELS 2390, (C) 75 EC A-428,  
(D) EC BRUSSELS 02025

1. SUMMARY: THIS SESSION OF THE COUNCIL OF AGRICULTURAL MINISTERS WAS DEVOTED TO DISCUSSION OF A NUMBER OF RELATIVELY MINOR POINTS AND TO THE IRONING OUT OF THE DETAILS OF DECISIONS TAKEN AT THE MARCH 2-6 COUNCIL MARATHON. THE COUNCIL GAVE THE COMMISSION A MANDATE TO NEGOTIATE A GUARANTEED PRICE ON ACP SUGAR. THEY ALSO SET THE SLAUGHTER PREMIUM FOR CATTLE AND EXTENDED THE TARIFF SUSPENSIO FOR POTATOES. OTHER TOPICS DISCUSSED BY THE COUNCIL INCLUDED SHEEP-MEAT, BARLEY MART AND NEW EALAND BUTTER LARDINOIS TOLD THE COUNCIL THAT THE RECENT MONETARY DISTURBANCE COULD RESULT IN ADDITIONAL EXPENDITURES OF 500-600 MILLION U.A. UNLESS ACTION IS TAKEN END SUMMARY.

2. IN THE WAKE OF THE MARCH 2-6 MARATHON, THE AGRICULTURAL MINISTERS TOOK SOMETHING OF A BREAK FROM THE MAIN PROBLEMS FACING THE CAP AND DEVOTED THE APRIL 5-6 SESSION TO CONSIDERATION OF A  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 EC BRU 03568 072016Z

NUMBER OF RELATIVELY MINOR POINTS THEY SPENT A GOOD PART OF THE

SESSION IRONING OUT DETAILS OF THE DECISIONS TAKEN ON MARCH 2-6 (REFS A AND B). THIS REPORT IS BASED ON DISCUSSIONS WITH COMMISSION AND COUNCIL SPOKESMEN AND SEVERAL MEMBER STATE PERMDELS, AS WELL AS ON THE OFFICIAL PRESS RELEASE (WHICH IS BEING TRANSMITTED SEPARATELY BY AIRGRAM).

3. SUGAR: THE COUNCIL GAVE THE COMMISSION A MANDATE TO NEGOTIATE THE 1976/77 GUARANTEED PRICE FOR ACP SUGAR (THE COMMUNITY IS COMMITTED TO THE IMPORT OF 1.4 MILLION TONS) AS PROVIDED FOR UNDER THE LOME CONVENTION -- (PROTOCOL 3) I.E., WITHIN THE RANGE SET BY THE EC INTERVENTION (331.40 U.A./M.T.) AND THRESHOLD (382.10 U.A./M.T.) PRICE FOR THE COMING MARKETING YEAR THE COUNCIL ALSO AGREED THAT ACP SUGAR SHOULD BE TREATED THE SAME AS EC SUGAR AFTER ENTERING THE COMMUNITY. THIS MEANS THAT THE EC TAX ON SUGAR PRODUCTION USED TO COVER THE COSTS OF EC STORAGE SUBSIDIES (SUBSIDIES ARE PAID TO SPREAD OUT THE DELIVERY OF SUGAR OVER THE MARKETING YEAR) WILL BE APPLIED TO ACP SUGAR. IN ADDITION, ACP SUGAR WILL BE INCLUDED IN CALCULATING THE MINIMUM STOCK REQUIREMENTS OF EC REFINERS. THE COMMUNITY AGREED IN PRINCIPLE IN 1974 THAT A MINIMUM STOCK EQUAL TO 10 PERCENT OF EC PRODUCTION, SHOULD BE ESTABLISHED; THEY ARE NOW IN THE PROCESS OF IMPLEMENTING THIS DECISION THE ACP COUNTRIES HAVE OPPOSED THEIR INCLUSION IN THESE EC SCHEMES, FEARING THAT THE COST WOULD BE PASSED BACK TO THE ACP EXPORTER. THE COUNCIL ALSO RAISED THE REFINING MARGIN APPLICABLE TO ACP SUGAR FROM 3.49 TO 5 U.A. PER 100 KG.

4. BEEF: THE MAXIMUM SLAUGHTER PREMIUM FOR BEEF CATTLE IS SET AT 45 U.A. PER HEAD; THIS AMOUNT WILL APPLY TO AN AVERAGE WEIGHT WHICH WILL BE DETERMINED BY THE MANAGEMENT COMMITTEE AND THUS THE PREMIUM CAN BE VARIED ACCORDING TO THE WEIGHT OF THE ANIMAL. THE PREMIUM IS TO BE GRANTED IN SUCH A WAY THAT THE MARKET PRICE PLUS THE PREMIUM MAY NOT EXCEED AN ANNUAL AVERAGE OF 85 PERCENT OF THE GUIDE PRICE AT ANY TIME. THE INTERVENTION PRICE OF MEAT COMING FROM CATTLE FOR WHICH THE PREMIUM HAS BEEN PAID WILL BE REDUCED BY THE AMOUNT OF THE PREMIUM.

5. POTATOES: THE COUNCIL EXTENDED THE SUSPENSION OF THE DUTY ON EARLY POTATOES (CXT 07.01 AIIA) FROM APRIL 15 TO APRIL 25;  
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 EC BRU 03568 072016Z

THE SUSPENSION OF THE DUTY ON WARE POTATOES (CXT 07.01 AIII B) WAS EXTENDED FROM APRIL 30 TO JUNE 30.

6. SHEEPMEAT: THE IRISH COMPLAINED ABOUT THE LACK OF PROGRESS OF THE SPECIAL AGRICULTURAL COMMITTEE ON THE PROPOSED CAP FOR SHEEPMEAT. THE COMMITTEE HAD BEEN INSTRUCTED TO "EXPEDITE" ITS EXAMINATION OF THE COMMISSION'S PROPOSAL (REF C) IN DECEMBER

1975. AFTER A RATHER INCONCLUSIVE DISCUSSION,CLINTON (THE IRISH AGRICULTURAL MINISTER) REPORTEDLY STATED THAT HE WAS GOING TO TAKE THE FRENCH TO COURT IN VIEW OF THE CONTINUED RRSTRICTIONS PLACED ON IRISH LAMB IMPORTS BY THE FRENCH GOVERNMENT.

7. BARLEY MALT: SEVERAL MEMBER STATES HAD COMPALINED ABOUT THE REDUCTION OF THE PERIOD DURING WHICH BARLEY MALT MAY BE KEPT IN BOND FROM SIX MONTHS TO ONE MONTH (SEE REF D). THE COMMISSION MADE NO CHANGE IN THIS DECISION; HOWEVER,IT INDICATED THAT IT WOULD REINTRODUCE THE EXPORT SUBSIDY SHORTLY AFTER EASTER (IT IS CURRENTLY SET AT ZERO).

8. NEW ZEALAND BUTTER: THE COUNCIL NEARLY REACHED A DECISION ON THE BUTTER REGIME THAT WILL BE APPLIED TO NEW ZEALAND DURING THE 1978-80 PERIOD.(THE COMMISSION HAS PROPOSED A DEGRESSIVE QUOTA AVERAGING ABOUT 120,000 TONS ANNUALLY OVER THAT PERIOD).HOWEVER, THE FRENCH,SUPPORTED BY THE IRISH,STALLED. THE OTHER MEMBER STATES WERE REPORTEDLY READY TO WRAP UP THE PROBLEM AT THIS SESSION. THE COMMISSION IS TO EXAMINE VARIOUS SUGGESTIONS AND PROPOSALS MADE BY THE MEMBER STATES WITH RESPECT TO THIS ISSUE-- IN PARTICULAR,THE POSSIBILITY OF INCLUDING A SAFEGUARD CLAUSE IN THE ARRANGEMENT WITH NEW ZEALAND WHICH WOULD PERMIT A REVIEW OF THE NEW ZEALAND QUOTA AND PRESUMABLY ITS REDUCTION IF UK CONSUMPTION DROPS.A DECISION ON THIS ISSUE IS EXPECTED AT THE NEXT SESSION.

9. MONETARY COMPENSATORY AMOUNTS (MCA'S): LARDINOIS MADE A STATEMENT AT THE END OF THE SESSION WARNING OF THE SERIOUS FINANCIAL IMPLICATIONS OF THE CURRENTY MONETARY PROBLEMS HE SAID THAT IF THE CURRENT DEPRECIATION OF THE POUND AND THE LIRA WERE TO CONTINUE, A SUPPLEMENTARY BUDGET OF 500-600 MILLION U.A. WOULD BE NECESSARY TO COVER THE INCREASED COST OF THE MCA'S. (MCA'S ARE APPLIED AS IMPORT SUBSIDIES IN DEPRECIATING COUNTRIES) . CONSEQUENTLY,HE WARNED THAT IF THIS SITUATION CONTINUED "SOME ACTION" (PRESUMABLY UNCLASSIFIED

UNCLASSIFIED

PAGE 04 EC BRU 03568 072016Z

A DEVALUATION OF UK AND ITALIAN GREEN RATES) WOULD HAVE TO BE TAKEN BY JUNE.

10. OTHER:

--- THE COUNCIL AUTHORIZED THE ITALIAN GOVERNMENT TO INCREASE INTEREST REBATES GRANTED IN THE MEZZOGIONA AND OTHER "DISFAVORED" ITALIAN REGIONS IN CONNECTION WITH THE EC'S DIRECTIVE FOR THE MODERNIZATION OF FARM HOLDINGS.

--- THE COUNCIL ALSO AUTHORIZED THE TRANSFER OF 100,000 TONS OF SOFT WHEAT FROM FRENCH TO ITALIAN INTERVENTION IN VIEW OF THE TIGHT SUPPLY SITUATION IN ITALY.

--- THE COUNCIL ALSO DISCUSSED THE STRENGTHENING OF SUPPORT MEASURES IN THE FISHERY SECTOR. THEY AGREED TO EXTEND THE APPLI- CATION OF THE SAFEGUARD CLAUSE ON FRESH TUNA FROM APRIL 1 TO MAY 1, 1976..

HINTON

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MINISTERIAL MEETINGS, NEGOTIATIONS, AGRICULTURAL PRICE SUPPORTS, AGRICULTURAL COMMODITIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 APR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ECBRU03568  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760132-0419  
**From:** EC BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760489/aaaacxqr.tel  
**Line Count:** 170  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 EC BRUSSELS 2337, 76 EC BRUSSELS 2390  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MartinML  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 JUN 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 JUN 2004 by SilvaL0>; APPROVED <04 JAN 2005 by MartinML>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC COUNCIL OF AGRICULTURAL MINISTERS MEETING, APRIL 5-6 1976  
**TAGS:** EAGR, EPAP, EEC  
**To:** n/a  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006